

AFFECTED DEPARTMENT: Patient Financial Services	POLICY CATEGORY: Patient Financial Service
SUBJECT: Financial Assistance	ORIGINAL ISSUE DATE: 10/04/2004
OWNER: Director of Patient Financial Services	LEGAL REVIEW: DATE:
DATE REVIEWED: 05/2015	DEPARTMENTAL APPROVAL: DATE :
DATE REVISED: 05/2015	LEADERSHIP APPROVAL: DATE:
REFERENCED POLICIES:	REFERENCES: Internal Revenue Code § 501(r) Prompt Pay/Uninsured Discount policy (875.1) Charge Limits policy (875.2) Adjustment Approval Limits policy (890.0)

POLICY:

Morehead Memorial Hospital (MMH) is committed to providing financial assistance (Free or Reduced payment due) to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable health care services, MMH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. MMH will not discriminate in the provision of emergency medical treatment, including denial of service, against those eligible for financial assistance under this policy or those eligible for government assistance.

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with MMH's procedures for obtaining financial

assistance or other forms of payment and to contribute to the payment for their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. Further, financial assistance is not considered to be a substitute for the responsibility of government or employers to expend their fair share of resources to cover the cost of essential health services in the communities MMH serves.

To manage its resources responsibly and to allow MMH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Trustees establishes the following guidelines for the provision of financial assistance.

DEFINITIONS:

The purpose of the policy is to establish guidelines for determining eligibility for financial assistance for qualified patients for all or a portion of their medical charges. This policy will be effective for all financial assistance determinations made on or after 07/01/15.

This policy applies to all medically necessary inpatient and outpatient services provided to patients. This policy does not cover elective services. Balances are eligible for financial assistance up to nine months after they are placed with an agency for collection.

Guarantors are required to disclose and provide financial information prior to the provision of services. If extenuating circumstances prevent disclosure prior to provision of services, MMH may accept financial information from the guarantor after services are provided to determine eligibility for financial assistance.

For the purpose of this policy, the terms below are defined as follows:

Financial Assistance – the hospital’s policy to provide healthcare services free or at a discount to individuals who meet established criteria.

Guarantor – the individual financially responsible for the health care service provided. This individual may or may not be the patient.

Family – A group of two or more persons related by birth, marriage, or adoption who live together and are qualifying dependents for tax purposes; all such related persons are considered members of one family. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.

Medically Necessary – describes those services that are reasonably expected to prevent, diagnose, prevent the worsening of, alleviate, correct, or cure conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or to aggravate a handicap, or result in illness or infirmity. Medically necessary services include inpatient and outpatient services, including emergency medical services provided in an emergency room setting and non-elective services provided in response to life-threatening circumstances in a non-emergency room setting. For purposes of the provision of Financial Assistance, medical necessity will be evaluated on a case-by-case basis and determined at MMH’s discretion.

Patient Liability – the amount of gross charges owed by the guarantor after any third party insurance payments or other applicable discounts have been applied. This may include co-pays, deductibles, and coinsurance.

Charges – No Financial Assistance eligible individual will be charged more for emergency or other medically necessary care than amounts generally billed to individuals with insurance covering the same services. This discount will be applied when we believe that an individual is likely to be eligible for financial assistance, either due to an application or our presumptive eligibility determination.

Resources - consist of the guarantor’s Family’s verified annual income plus a portion of their net assets.

- **Income** - includes, but is not limited to, salaries; unemployment payments; disability (including Supplemental Security income), and Workers' Compensation income; pensions, retirement income, veterans’ payments, survivor benefits, and Social Security; interest, dividends, rental and estate income, royalties, and income from trusts; educational assistance; alimony and child support; Temporary Assistance for Needy Families (TANF) and other government/public assistance received by any family members. Income is determined on a pre-tax (*i.e.*, gross) basis. Non-cash benefits, such as food stamps and housing subsidies, and capital gains or losses are not considered income.
- **Assets** - include, but are not limited to, liquid assets, investments, non-owner occupied houses, farmland, farm vehicles and equipment, livestock and crops, business property and equipment, and rental property. All real property is considered at fair market or taxable value. The values of both real and personal property will be reduced by any existing liabilities incurred by the applicant in obtaining the assets (net assets).

PROCEDURE:

Prior to seeking Financial Assistance from MMH, the Guarantor should use available resources to resolve their financial obligations, including insurance coverage, personal

income and assets, governmental assistance, and any other assistance program (as available and applicable). Where possible and appropriate, Guarantors will be counseled on their potential eligibility for local, state, and federal health care programs like Medicaid; other disability programs; and other insurance coverage as well as the hospital's prompt pay/uninsured discount (*see policy 875.1 for additional detail*) and extended payment plans.

Referral of patients for Financial Assistance may be made by any member of the hospital's staff or medical staff. A request for Financial Assistance may be made by the patient, a family member, or a friend/associate of the patient, subject to applicable privacy laws.

Need Determination

- Financial need will be determined in accordance with procedures that involve an individual assessment and may:
- include an application process, in which the Guarantor is required to cooperate and supply personal, financial, and other information and documentation relevant to making a determination of financial need;
- include the use of publically available data that provide information on the Guarantor's ability to pay;
- include reasonable efforts by MMH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist Guarantors in applying for such programs;
- take into account assets and all other financial resources available to the Guarantor;

Application Process

A fully completed and signed financial disclosure must be submitted within 30 days of the date the application was provided to the patient or guarantor. If requested, MMH will assist Guarantors in completing this application. The application must be submitted with appropriate supporting documentation that may include the following:

- a. Medicaid denial from the Guarantor's state of legal residence or a Medicaid screening indicating the Guarantor is ineligible for the program.
- b. Financial inventory that includes assets, income, and expenses.
 - Proof of income, if any:
 - Two most recent pay stubs or proof of other income and/or cash benefits;
 - Two most recent bank and/or investment account statements; and/or
 - Most recent Federal income tax return filed (including appropriate schedules for self-employed applicants).
 - If no income a letter of support, stating their need for Financial Assistance

- Proof of assets equity, if any:
 - Proof of liens against assets (*e.g.*, loan documents, etc.)
- c. Proof of Family size/dependents:
 - Marriage certificates;
 - Birth certificates;
 - Custody or guardianship documents, etc.
- e. Proof of residency (*e.g.*, current driver's license or other documentation)

Information provided through the financial disclosure will be valid for **determining eligibility** for Financial Assistance for a period of one (1) year from the date of application or until material changes to the Guarantor's financial situation occur that would be relevant to their eligibility for Financial Assistance, after which time the patient or guarantor must resubmit a financial disclosure. Any balances generated during this period will be individually evaluated against this policy. Applicants will be required to sign an attestation that there have been no material changes to their financial situation since their original application was approved.

Determination – Once complete documents are received and an eligibility determination has been made, a notification letter will be sent to each applicant advising them of the facility's decision. If the patient meets eligibility requirements, they will be designated as eligible to receive Financial Assistance. Patients who submit incomplete applications and/or do not provide supporting documentation will be contacted via phone or mail.

Requests for Financial Assistance will be processed promptly, and the hospital will notify the Guarantor of its determination in writing within 30 days of receipt of a completed application.

Standard Eligibility for Financial Assistance

To qualify for Financial Assistance, the patient, or guarantor as appropriate, must:

- Meet the program's Resource qualifications based on the Department of Health and Human Services' current annual Poverty Guidelines. The guidelines are updated annually and published at <http://aspe.hhs.gov/poverty/index.shtml>.

For all applicants,

- A Guarantor will qualify for a 100% discount (*i.e.*, full assistance) when Resources are less than or equal to 200% of the Poverty Guideline effective at the time application for Financial Assistance is made.

- Guarantors with income of more than 200% but no more than 400% of the Poverty Guideline may qualify for a partial discount.
- If Financial Assistance is approved, it will be provided on all of the Guarantor's eligible outstanding, Medically Necessary balances.
- If eligible for a partial discount, the Guarantor will receive the discount regardless of whether they pay the balance on the bill. All normal collection methods, including referral to a collection agency as appropriate, will be employed in the collection of the remaining balance. **If necessary, payment arrangements may be made on the balance of the Guarantor's bill in accordance with MMH procedures.**

Collection Agency – Accounts will be reviewed for Financial Assistance eligibility before being sent to an outside collection agency. However, if information is not available at the time or changes afterward and an account is later identified by an outside collection agency as meeting Financial Assistance eligibility criteria, the patient account will be considered eligible if it is within the application period. The account will be returned to the Business Office for processing.

Eligibility Exceptions

Guarantors who do not qualify for Financial Assistance based on the standard criteria previously described may be eligible based on other criteria or circumstances.

Extraordinary circumstances Guarantors who would otherwise be denied program benefits due to their level of Resources may be eligible based on extraordinary circumstances such as catastrophic illness resulting in excessive medical bills. Guarantors with Resources of 400% or more but no more than 700% of the Poverty Guideline for their Family size will qualify for partial assistance if their liability, including any applicable discounts not related to a Financial Assistance award, exceeds 20% of their Resources. In these situations, the Guarantor will be responsible for an amount equal to 20% of their Resources.

Bankruptcies Accounts that are not collectable from Guarantors due to filing of bankruptcy will be discounted in their entirety as Financial Assistance. A bankruptcy notice including the date of service will be maintained to justify providing Financial Assistance.

Presumptive eligibility/automatic Charity Approvals: In the absence of, and inability to obtain, financial information provided by the Guarantor, MMH may use other sources to estimate Resource amounts for the basis of determining Financial

Assistance eligibility. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of their balance. Presumptive eligibility may be determined on the basis of various information and/or circumstances that may be obtained about the guarantor, including:

- Receipt of low income/subsidized housing (verified by a valid address) or homeless status;
- Receipt of care from a homeless or free clinic;
- Eligibility for Women, Infants and Children (WIC) programs, food stamps, subsidized or free school lunch program, or other state or local assistance programs; or
- Guarantor is deceased with no known estate or third party insurance coverage
- County Jail inmates –When funds have been exhausted
- A patient is covered by an out of state Medicaid and the hospital is not a contracted provider.
- The requirement for supporting documentation may be waived for potential financial assistance awards totaling no more than \$2,500 per presumptive eligibility.
- Co-Insurance and Deductible amount are eligible for Financial Assistance with a qualifying application.

Exclusions:

MMH reserves the right to deny Financial Assistance to anyone who:

- Has the ability to pay;
- Fails to provide the requested documentation or fails to provide it in a timely manner;
- Falsifies or provides misleading information on their application;
- Declined insurance offered through their or a family member's employer;
- Incurred expenses for treatment of injuries received during or incidental to the commission of an alleged crime; or
- Lost or received reduced insurance coverage for specific services that would otherwise be fully covered because they did not follow their plan's coverage guidelines, including appropriate use of network services.

Authority for Approving Financial Assistance Discounts

Authority for approving Financial Assistance discounts is based on the size of the total discount offered to the Guarantor for all accounts and will follow the policy on adjustment approval limits (890.0).

Any exceptions to this policy must be approved by the Patient Financial Services Director or, if the discount would be over \$20,001, the Vice President – Finance. Exceptions will be logged by the Collections supervisor or designee with information on the amount of discount, if any, the policy allowed, the discount actually provided, and an explanation

of why an exception was made. Exceptions will be logged in the FAA document and reviewed annually as part of the review of this policy.

Collection Policy

Every reasonable effort will be made to determine eligibility for Financial Assistance prior to service for medically necessity services. However, an eligibility determination prior to service will not always be possible for a number of reasons (*e.g.*, distances from home, emergency service, unwillingness to disclose personal circumstances, etc.). When an eligibility determination has not been made prior to service, good stewardship requires that the hospital initially begin the collection process. However, immediately upon determining that the Guarantor is eligible for Financial Assistance, collection efforts on the balance eligible for Financial Assistance will cease and the appropriate balance will be designated as Financial Assistance.

Record Keeping and Reporting

The Collections Supervisor or person designated by the Supervisor will maintain a record of all applications processed, including date financial disclosure submitted, determination date, discount percentage, discount amount, account balance after discount, approval date, date notification letter sent, exception and date exception granted. They are responsible for ensuring that the appropriate accounts are written off and reconciled to this record at least monthly.

The hospital will maintain files for completed Financial Assistance applications in Chartmaxx. All applications and supporting documentation should be kept for a minimum of three years from the Notice of Program Reimbursement date for the corresponding Medicare cost report.

Actions regarding Financial Assistance should be documented on the comment screen of the account including the percentage of the discount given to the patient and Financial Assistance approvals.

Unique transaction codes will be used to record adjustments for Financial Assistance (05021; for bankruptcies, 06619; and for charge-limiting discounts, 06635). The hospital's financial statements will separately report the amount of Financial Assistance provided.

Communication of the Financial Assistance Program to Patients and the Public

Notification about Financial Assistance available from MMH, including a contact number, will be widely disseminated by various means that may include, but are not

limited to, the publication of notices in patient bills and by posting notices in the emergency department, admitting and registration areas, and at other public places. Information will also be included on the hospital's website and on the *Consent for Treatment* form. Such information will be provided in the primary language(s) spoken by the population serviced by MMH. Additionally, financial counselors will attempt to contact all uninsured patients prior to discharge regarding Financial Assistance, and information on the program will be provided during the admission/discharge and collection process.

Additional Assistance

The hospital has established a discount for uninsured Guarantors who do not qualify for financial assistance to help them resolve their financial obligations (*see policy 875.1 for additional detail*).



FINANCIAL DISCLOSURE

For help completing this application, please call 336-627-6195.

Mail date _____

PATIENT INFORMATION

Name: _____ SSN: _____
 Address: _____ Birth date: ____/____/____
 City, State, ZIP: _____ Employer: _____
 County: _____ Work phone: (____) _____
 Home phone: (____) _____ Work status: Full time Part time
 Avg. hrs worked/wk: _____

GUARANTOR (OR SPOUSE IF MARRIED)

Name: _____ SSN: _____ DOB: _____
 Address: _____ Employer: _____
 City, State, ZIP: _____ Occupation: _____
 Relation to patient: _____ Work phone: (____) _____
 Work status: Full time Part time
 Avg. hrs worked/wk: _____

FAMILY INFORMATION

(Family includes husband, wife, and any children [including stepchildren] that live in the home and are qualifying dependents for tax purposes.)

Family members	Age	Relation to patient	Employed?	
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

MONTHLY GROSS FAMILY INCOME

Salary	\$ _____	Alimony/child support	\$ _____
Social Security	\$ _____	TANF	\$ _____
Retirement/pension	\$ _____	Educational assistance	\$ _____
Unemployment	\$ _____	Net rental/lease cash flow	\$ _____
Guard/Reserve/Military pay	\$ _____	Other income/cash assistance	_____ \$ _____
Interest/dividends	\$ _____		_____ \$ _____
Disability/SSI	\$ _____		_____ \$ _____
Work Comp benefits	\$ _____		_____ \$ _____
		Total	\$ _____ A

If you have become unemployed within the last 90 days, please provide:
 The name of your last employer and dates of employment:

A X 12 = Annual income \$ _____ **B**

Give the name of your employer sponsored insurance carrier:

MONTHLY FAMILY EXPENSES

Rent/Mortgage payment \$ _____ **C**

Are you eligible for COBRA Benefits? Yes No

C X 12 = Annual expenses \$ _____

FINANCIAL DISCLOSURE - page 2

Unit number _____ Patient name _____

1. Annual income (B from page 1) \$ _____

ASSETS

		<i>To be completed by MMH</i>		
Property	D	E	E - D =	
	Mortgage/loan company	Amount owed	Market/tax value	Equity
2. Home	_____	\$ _____	\$ _____	\$ _____
	Phone # _____			
	Description _____			
3. Other real estate	_____	\$ _____	\$ _____	\$ _____
	_____	\$ _____	\$ _____	\$ _____
4. Owned vehicles (automobiles, boats, RVs, motorcycles, farm equip., etc.)	Make/model/yr _____	\$ _____	\$ _____	\$ _____
	_____	\$ _____	\$ _____	\$ _____
	_____	\$ _____	\$ _____	\$ _____
Total Property \$				E
E X 0.2 = Eligible Property \$				F

Cash and Investments

	Bank name	Account #	Checking	Savings	Current balance
5. Bank accounts	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
					Cash on hand
<input type="checkbox"/> No bank					\$ _____

Checklist:

- Complete ALL sections of the application.
- Sign and date the application.
- Proof of vehicle balance.
- Proof of home balance.

Attach copies of the following (if applicable):

- Most recent Federal tax return (including Schedule C if self-employed).
- Two (2) most recent pay stubs or other proof of income/cash benefits.
- Property valuation statements for property outside of Rockingham County.
- Two (2) most recent Bank statements.
- Driver's license.

- INCOMPLETE APPLICATIONS MAY BE DENIED -

I hereby certify that all information on my application for financial assistance, including information on the reverse side of this form, is correct and complete to the best of my knowledge, information given and my belief. I understand and agree that if Morehead Memorial Hospital learns that I have made false statements or misrepresented any information on this application for financial assistance, will make me ineligible for any financial assistance. I authorize the release of any information needed to verify the information provided and for billing and collections in compliance with applicable federal and state laws. Additional proof of income may be required before consideration is made.

Applicant signature _____ Date _____

Person supplying information (if different from applicant) _____ Relationship to applicant _____

**Please return form and all supporting documentation
(see page 2 for checklist) within 30 days to:**
 Morehead Memorial Hospital
 Patient Accounting
 117 E Kings Hwy.
 Eden, NC 27288-5299

REVIEW/REVISION LEDGER:

Review / Revision Date:	Authority / Title:	Revision Description :
Reviewed: 7/01/2013,01/01/2014, 05/18/15 Revised: 02/19/2014, 07/01/15	Director of Patient Financial Services	Previous reviews / revisions archived and available from Director.
5/1/2015	Vice President Finance	Conversion to updated policy format to include addition of footer for document control purposes and addition of Review / Revision Ledger; removal of number 875.0 and addition of prefix PFSB in policy title.